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Attorneys for Creditor  
UMPQUA BANK, successor by merger to  
STERLING SAVINGS BANK  
(as successor by merger to Sonoma Bank)

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF CALIFORNIA  
SACRAMENTO DIVISION

In re

J. PEDRO ZARATE,  
Debtor.

Case No. 13-22346-C-7

Chapter 7

DCN: HCS-2

**RESPONSE OF UMPQUA BANK, SUCCESSOR  
BY MERGER TO STERLING SAVINGS BANK,  
TO DEBTOR'S NOTICE OF INTENT TO  
CONTINUE MEDIATION IN ANTICIPATION  
OF JUDICIAL MEDIATION CONFERENCE  
SET FOR CONFERENCE TO BE HELD JUNE  
24, 2014; SUPPLEMENT TO OPPOSITION  
AGAINST COMPROMISE**

Date: July 1, 2014

Time: 9:30

Place: 501 I Street, Sixth Floor, Sacramento,  
California; Department C, Courtroom 33

Judge: Hon. Christopher M. Klein

Umpqua Bank, successor by merger to Sterling Savings Bank ("Bank") writes to respond briefly to the contentions made by the Debtor in his above paper.

The Debtor claims without record citation or other support that the Bank violated some mythical state court order by completing a foreclosure sale against its real property collateral provided by the Debtor. *See*, Debtor's Supplement to Opposition, 2:5-7, 4:9-21 and 7:14-15. The Debtor is confused. The San Joaquin County Superior Court enjoined *the Debtor*, not the Bank. The Debtor points to no court order after the San Joaquin County Superior Court

1 appointed a receiver and enjoined the Debtor that prohibited the Bank from completing a  
2 foreclosure sale on a defaulted fully matured real property secured commercial loan. The Debtor  
3 comes forward with no evidence to support a different conclusion. The Debtor never tried to  
4 enjoin the foreclosure sale. The Debtor never filed or recorded a *lis pendens*. The Debtor's  
5 misstatement of the record further militates in favor of approving the compromise.

6 The Debtor also suggests that somehow, a multitude of causes of actions survived the  
7 Bank's state court pleading challenges against his litigation claims that he did not bother to  
8 schedule in two of his bankruptcy cases. Supplement to Opposition, 7:12-13. The Debtor again  
9 is wrong. Before the Court are conformed copies of the state court records showing that the  
10 Bank only demurred to three causes of action in the Debtor's cross-complaint. Two of the  
11 demurrers were sustained. The Trustee has analyzed the estate's other causes of action that did  
12 not lend themselves to a "pleading challenge" and the difficulties in proving them based on the  
13 thousands of pages of documents that have been made available to him through the litigation,  
14 notwithstanding the Debtor's false claim that the state court litigation is in its nascent stages.  
15 The Debtor's misstatements further support approval of the compromise before the Court.

16  
17 Respectfully submitted,

18 LAW OFFICES OF DAVID WISEBLOOD

19 Dated: June 27, 2014

By /s/ David M. Wiseblood  
David Wiseblood  
Attorney for Creditor  
UMPQUA BANK, successor by merger to  
STERLING SAVINGS BANK